



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

MAR 31 1997

Memorandum

To: Deputy Commissioner for Indian Affairs
Interim Director, Bureau of Land Management
Commissioner, Bureau of Reclamation
Director, Geological Survey
Director, National Park Service
Chief Executive Officer, Interior Service Center

From: Bonnie R. Cohen *[Signature]*
Assistant Secretary - Policy, Management and Budget

Subject: Delegation of Leasing Authority

Pursuant to the September 25, 1996 delegation of authority from the Acting Administrator of the General Services Administration (GSA), copy attached, you are hereby delegated the authority to perform all functions related to the leasing of general purpose space for a term of up to twenty years regardless of geographic location. This authority may be redelegated to employees of your organization who have been trained as lease contracting officers, as spelled out in the Department's Contracting Officer's Warrant Manual, and is subject to all conditions noted in the original delegation. The Office of Acquisition and Property Management (PAM) will exercise policy oversight and collect periodic leasing information. PAM will still be Interior's exclusive liaison with GSA's National Office and will assist with problems involving leasing matters requiring resolution at that level.

While this delegation may be a cost effective and timely option in certain circumstances, the inherent responsibilities and financial obligations must be carefully considered before it is exercised. GSA will still offer their services to acquire space as they have done in the past. Their ability to obtain below-market rents by procuring large blocks of space, their expertise in Federal lease procurement and their policy of allowing us to vacate space after giving 120 days notice should be factored into any decision to exercise the delegation.

Attachment



Administrator
General Services Administration
Washington, DC 20405

SEP 25 1996

The Honorable Bruce Babbitt
Secretary of the Interior
Washington, DC 20240

Dear Mr. Secretary:

The General Services Administration (GSA) has established a new leasing program that offers Federal agencies the option of continuing to use GSA as their leasing agent for general purpose space or taking on that responsibility within their own agency.

This new program, called "Can't Beat GSA Leasing," is an outgrowth of our commitment to streamline our leasing operations. Under this new program, GSA provides you a simple choice. Either engage us to provide you with the most cost-effective and fastest service in the real estate market today or use the enclosed delegated leasing authority to do it yourself.

We have taken this bold step to respond to the needs of a changing world in which Government must work faster, smarter, cheaper and better. We are committed to provide space for your agency so you can meet those needs.

GSA must also meet these challenges to work up to new standards of excellence. At the same time, we have listened carefully to the recommendations from many of our client agencies and the Vice President's National Performance Review to open ourselves to competition.

Under "Can't Beat GSA Leasing," we have developed new strategies and retooled our entire leasing operation. We refocused our energies on the needs of you, our customers. To cite just a few examples:

- o Our pricing structure is now clearer and more responsive to our customers.
- o Your rent for space that we lease will be based on our rent plus a service fee comparable to that charged by private sector agents.
- o We can now provide customized tenant allowances and flexibility in payment alternatives for above standard items.

The most important change, however, is the "can do" attitude of our experienced, warranted real estate contracting officers. We have empowered them to respond to your needs with sound business practices that make sense.



As you would expect, GSA's leasing specialists will continue to follow all the statutory requirements -- the same ones you will be expected to follow if you choose to use other brokerage services.

All of us at GSA hope you will choose to stay in the GSA family. Your leasing requirements are our most important business. We look forward to providing you with the most efficient, experienced, cost-effective service offered anywhere today, a service we think you will agree lives up to its name: "Can't Beat GSA Leasing."

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Barram". The signature is fluid and cursive, with a long horizontal stroke at the end.

David J. Barram
Acting Administrator

Enclosure



Delegation of Leasing Authority

Pursuant to the authority vested in the Administrator of General Services by subsections 205(d) and 210(h)(1) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, I hereby delegate authority to the heads of all Federal agencies to perform all functions related to the leasing of general purpose space for a term of up to 20 years regardless of geographic location. This delegation of authority does not alter the space delegations in sections 101-18.104-2 and -3 of the Federal Property Management Regulations, which pertain to "categorical" and "special purpose" space.

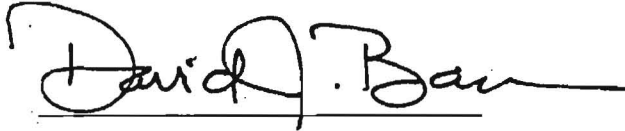
This delegation is effective October 14, 1996, and subject to the following conditions:

1. Prior to instituting any action under this delegation, the head of a Federal agency or its designee shall notify the appropriate GSA, Assistant Regional Administrator for Public Buildings Service (ARA/PBS) of the agency's need for general purpose space and the agency's intent to exercise the authority granted in this delegation. The agency may exercise the authority contained in this delegation when the ARA/PBS determines that suitable Government-controlled space is not available to meet the space need of the Federal agency.
2. Relocation of Government employees from GSA-controlled federally owned or leased space may take place when prior written confirmation has been received from the appropriate ARA/PBS that suitable Government-controlled space cannot be provided for them.
3. A prospectus has been approved by the Congressional Committees pursuant to the Public Buildings Act of 1959 when the annual rental for the lease contract, excluding service and utilities, exceeds \$1.74 million, as adjusted annually in accordance with 40 U.S.C. 606 (f). In this circumstance GSA will prepare the prospectus in consultation with the agency.
4. Redelelegation of the authority to lease may be made to those officers, officials, and employees who have been adequately trained as lease contracting officers.

5. Federal agencies must acquire and utilize the space in accordance with all applicable laws and regulations, including, but not limited to, the Competition in Contracting Act, Federal Property Management Regulations, Executive Order 12072, Executive Order 13006, Davis Bacon Act, and the General Services Administration Acquisition Regulations.

6. Agencies periodically provide GSA with leasing performance information.

The Associate Administrator for the Office of Governmentwide Policy and the Commissioner of the Public Buildings Service will issue further information regarding this program.

A handwritten signature in black ink, reading "David J. Barram". The signature is written in a cursive style with a large initial "D" and "B". The signature is positioned above a horizontal line.

David J Barram
Acting Administrator
General Services Administration

September 25, 1996

Date